

## **MINUTES**

### **VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING - LOAN BUSINESS**

**November 28, 2007 - 12:00 P.M.**

**Eighth & Main Building, 3<sup>rd</sup> Floor Conference Room  
Richmond, Virginia**

- I. Voting members present: Andy Brownstein, Hattie Hamlin, George Bryan, Harold Moore (on behalf of The Honorable J. Braxton Powell), Jane-Scott Cantus, and Jack Stephens.

Others present: Lynda Sharp Anderson (Deputy Director, VDBA), Eric Gregory (Assistant Attorney General), Bob Nealon, (ex-officio member), Scott Parsons, Anna Mackley Cobb, Patty Thorne, Barbara Carter, Mary Jo Sisson-Vaughan, and Patricia Musial.

Chairman Brownstein opened the meeting and Scott Parsons introduced Bob Nealon, Chair of the Small Business Advisory Board and ex-officio member of the Virginia Small Business Financing Authority's board. Mr. Nealon briefly shared the purpose of the SBAB and that its board is composed of members from every active congressional district. Mr. Parsons also acknowledged the presence of Eric Gregory representing the Attorney General's Office.

- II. Approval of Minutes - On a motion by George Bryan, seconded by Jack Stephens, the minutes of the October 17, 2007, Board of Directors Meeting - Loan Business were unanimously approved as presented.

### **III. PUBLIC HEARING (12:11 p.m.)**

- A. Volo Holdings Manassas, LLC - City of Manassas - \$35,000,000 501 (c) 3 bond. On a motion by George Bryan, seconded by Jack Stephens, the Board of Directors unanimously adopted a final resolution authorizing the issuance of tax-exempt bonds to help finance the acquisition, upgrade and renovation of assets, and construction of a new hanger, office and shop complex at the Manassas Regional Airport.

**Public Hearing** closed at 12:18 p.m. No members of the public attended or requested to speak.

- IV. Board Review and Ratification of Loans Approved/Declined by Staff - On a motion by Hattie Hamlin, seconded by George Bryan, the loan decisions of \$500,000 or less approved and declined by staff for September and October 2007 were unanimously ratified.

V. Other Business

- A. Loan Fund Accounting Report - Board members received a copy of the October 31, 2007 fund accounting report which shows the net cash available for future lending. Scott Parsons reviewed the report and highlighted the funding issues associated with each loan program, noting that demand has depleted some funds. The Board then discussed the geographic and programmatic restricted use of the various funds and the actual amount of unrestricted money that is available for the Authority to lend for economic development. Mr. Parsons then indicated that the remaining information on the fund accounting report is used to manage the portfolio and shows how much activity has occurred in each fund from each fund's inception to date. Ms. Jane-Scott Cantus requested that staff modify the report to include the date that each program was established. The Board then discussed the current credit situation and its effect on the Authority's small business lending deals.
- B. Technical Assistance - Scott Parsons informed Board members of the technical assistance provided to small business owners and start ups by staff. The project finance managers assist individuals who call with concerns such as understanding what their financing need is, why it exists, the importance of a business plan and the detail it should contain, or cash flow issues, etc. One staff member provided technical assistance by participating in an agency webinar (web-based seminar) via the internet. Mr. Parsons wanted to make the Board aware of some of the innovative things that the Financing Authority staff is doing.
- C. Governor's Budget Initiative - Mr. Parsons reminded the Board that the Governor would be announcing his budget to the General Assembly on December 17<sup>th</sup> and that he has asked for funds for the Authority's programs to be included in his budget. Board members were asked to take time before the General Assembly starts in January to advocate on behalf of the Authority by educating those legislators that represent them, or that they might know, about the Authority and its need for funding. Members would be given information specific to that legislator's region about the Financing Authority's activities and success stories. Mr. Parsons or any of the project finance managers would be willing to accompany Board members to help educate the legislators. Board members successfully did this two years ago and resulted in the Authority receiving \$1.25 million from the General Assembly.

Mr. Bob Nealon extended an invitation to the Board to attend a Christmas luncheon sponsored by the Small Business Advisory Board. Delegate Brian Moran will be speaking about all upcoming legislation in the state the deals with small business in Virginia.

- D. December 2008 Board Meeting - Mr. Parsons announced that the Secretary of Commerce and Trade, Pat Gottschalk, has asked to attend a meeting of the Board on an annual basis and will be at the December 19<sup>th</sup> meeting. His purpose is to give Board members an opportunity to ask questions and get a better understanding of what the administration's focus will be for the next two years, especially in regard to economic development, small businesses, and financing programs within the state. Members will also have the opportunity to converse with the Secretary about Board related matters and activities.
- E. 2008 Board Meeting Dates - The Board was asked to consider changing its meeting date from the third Wednesday to the second Monday of each month. After a brief discussion, the decision was postponed until all Board members could be contacted.

VI. The meeting was adjourned by Mr. Brownstein.